VZCZCXYZ0014 PP RUEHWEB

DE RUEHPE #1299/01 0951534
ZNR UUUUU ZZH
P 051534Z APR 06
FM AMEMBASSY LIMA
TO RUEHC/SECSTATE WASHDC PRIORITY 9574
INFO RUEHBO/AMEMBASSY BOGOTA 3200
RUEHBR/AMEMBASSY BRASILIA 6632
RUEHCV/AMEMBASSY CARACAS 9260
RUEHLP/AMEMBASSY LA PAZ APR QUITO 0195
RUEHSG/AMEMBASSY SANTIAGO 0369
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RHEHOND/DIRONDCP WASHDC

UNCLAS LIMA 001299

SIPDIS

SENSITIVE SIPDIS

E.O. 12958: N/A
TAGS: SNAR PGOV PE
SUBJECT: COCA COMMUNITIES SIGN UP FOR ALTERNATIVE
DEVELOPMENT DESPITE ELECTION UNCERTAINTY

Sensitive But Unclassified, Please Handle Accordingly.

- 11. (SBU) Summary: Coca growing communities are signing up to voluntarily eradicate their coca and participate in USAID's Alternative Development (AD) Program at a rate on par to meet the annual target of eradicating 2500 hectares. Uncertainties regarding upcoming elections and the pro-coca rhetoric of the front-runner in the polls, ultranationalist "outsider" presidential candidate Ollanta Humala, have not decreased interest in the AD Program. If anything, contractors in the field are seeing a surprising uptick in program interest including in areas considered to be AD-reluctant, "hard-core" coca growing regions. End Summary.
- ¶2. (SBU) Directors from the four regional field offices of USAID's contractor for the Alternative Development (AD) Program told Emboffs on 3/30 that new communities are signing up to participate in voluntary eradication-linked alternative development. They said that despite presidential and congressional election uncertainty and pro-coca rhetoric from Humala, communities are signing up to voluntarily eradicate their coca at a rate on par to meet the annual target of 2500 hectares eradicated. Of the 270 communities planned for the program this calendar year, 10 have completed the process, with over 100 hectares eradicated. Sixty additional communities in San Martin and Ucayali departments have initiated the process to measure their coca fields, a necessary precursor to signing an agreement with the counternarcotics agency, DEVIDA, and subsequently eradicating their quantified coca. In the coming weeks these communities will take these steps and eradicate their own coca.
- 13. (SBU) The regional directors of USAID's contractor told Emboffs that there was no reduction in community interest to join the program and no action on the part of the communities to postpone their voluntary eradication agreements until after the election. According to the USAID contractors, communities are unexpectedly approaching them to participate from regions that were specifically not targeted because they were deemed as "hard core" for their intense coca concentrations and therefore as having a low probability of agreeing to voluntarily eradicate their coca. These include three communities in Huipoca and four communities in Tingo Maria. USAID and their contractor are having informal discussions with "hard core" communities in Polvora/Pizana for them to join the AD program under "no replanting

agreements" once the current programmed eradication campaign is completed there. (Comment: These communities showing interest in AD is a testament to the programmed eradication campaign having a positive impact in encouraging coca growers to cease coca farming and pursue a licit lifestyle. Two years ago these communities would not have considered AD. End Comment.)

- $\underline{\P}4$. (SBU) Since their contract is performance based, the contractor's incentive is to warn USAID if the contractor senses that communities will not make voluntary eradication commitments. For the contractor to achieve its targets, it will have to continue to sign up communities and eradicate on a consistent basis through the year, including five months under a new government. These factors add a degree of credibility to the contractor's statements. The communities are required under the AD agreements to eradicate their coca before they receive the development benefits, so it is unlikely they are gaming the system in the short term, although they may hope to replant coca under a more compliant government. Though they could replant coca it would take time before the communities saw a return, and historically USAID has observed very little re-planting of coca under the program. The USAID contractors said they believed the communities were signing up to eradicate their coca and receive development benefits because the government had not done anything for them in the past and they did not expect this would change with a new government. The AD Program has developed a reputation of delivering the benefits it promises.
- 15. (SBU) Comment: The AD Program, coupled with interdiction and programmed eradication, is an important part of our counternarcotics strategy. The elections so far have not had a negative impact on the AD Program communities are

agreeing to eradicate their coca in exchange for development benefits. The contractor reports are somewhat surprising since it would seem that coca communities would delay eradicating their coca and wait for a new government with a potentially different coca policy and new development resources. That the USAID contractor is confident of achieving their target of 2,500 hectares voluntarily eradicated bodes well for the success of the AD Program, particularly given election uncertainties and pro-coca campaign rhetoric. We will continue to monitor and report on this very fluid situation. End Comment.